



DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

Agency Information Collection Activities; Proposed Renewal; Comment Request; Renewal without Change of Recordkeeping and Termination of Correspondent Accounts for Foreign Banks.

AGENCY: Financial Crimes Enforcement Network (“FinCEN”), U.S. Department of the Treasury.

ACTION: Notice and request for comments.

SUMMARY: FinCEN invites comment on the renewal of information collections in existing regulations requiring records concerning owners of foreign banks and agents of foreign banks for service of legal process.

DATES: Written comments are welcome and must be received on or before

[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Comments may be submitted by any of the following methods:

- Federal E-rulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments. Refer to Docket Number FINCEN-2018-0011 and the Office of Management and Budget (“OMB”) control number 1506-0043.

- Mail: Policy Division, Financial Crimes Enforcement Network, P.O. Box 39, Vienna, VA 22183. Refer to Docket Number FINCEN-2018-0011 and OMB control number 1506-0043.

Please submit comments by one method only. Comments will also be incorporated to FinCEN's retrospective regulatory review process, as mandated by E.O. 12866 and 13563. All comments submitted in response to this notice will become a matter of public record. Therefore, you should submit only information that you wish to make publicly available.

FOR FURTHER INFORMATION CONTACT: The FinCEN Resource Center at 800-767-2825 or electronically at frc@fincen.gov.

SUPPLEMENTARY INFORMATION:

The Bank Secrecy Act ("BSA"), Titles I and II of Public Law 91-508, as amended, codified at 12 U.S.C. 1829(b), 12 U.S.C. 1951-1959, and 31 U.S.C. et seq., authorizes the Secretary of the Treasury, among other things, to require financial institutions to keep records and file reports that are determined to have a high degree of usefulness in criminal, tax, and regulatory matters or in the conduct of intelligence or counter-intelligence activities to protect against international terrorism, and to implement counter-money laundering programs and compliance procedures.¹ Title III of the USA PATRIOT Act of 2001, Pub. L. 107-56, included certain amendments to the anti-money laundering provisions of Title II of the BSA, 31 U.S.C. 5311 et seq., which are intended to aid in the prevention, detection, and prosecution of international money laundering and terrorist financing.

Regulations implementing Title II of the BSA appear at 31 CFR Chapter X. The authority of the Secretary of the Treasury to administer Title II of the BSA has been delegated to the Director of FinCEN. The information collected and retained under the

¹ Language expanding the scope of the BSA to intelligence or counter-intelligence activities to protect against international terrorism was added by Section 358 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, P.L. 107-56.

regulation addressed in this notice assists Federal, state, and local law enforcement as well as regulatory authorities in the identification, investigation and prosecution of money laundering and other matters.

This request for comments is being made pursuant to the Paperwork Reduction Act ("PRA") of 1995, Pub. L. 104-13, 44 U.S.C. 3506(c)(2)(A). In accordance with the requirements of the PRA and its implementing regulations, the following information is presented concerning the information collection below.

Title: Correspondent Accounts for Foreign Shell Banks; Recordkeeping and Termination of Correspondent Accounts for Foreign Banks (31 CFR 1010.630).

OMB Control Number: 1506-0043.

Abstract: Covered financial institutions are prohibited from maintaining correspondent accounts for foreign shell banks (31 CFR 1010.630(a)(1)). Covered financial institutions that maintain correspondent accounts for foreign banks must maintain records of owner(s) of the foreign bank and the name and address of a person residing in the United States who is authorized to accept service of legal process for the foreign bank (31 CFR 1010.630(a)(2)). Covered financial institutions may satisfy these requirements by using the sample certification on the FinCEN

website:(<https://www.fincen.gov/sites/default/files/shared/Certification%20Regarding%20Correspondent%20Accounts%20for%20Foreign%20Banks.pdf>) and re-certification (<https://www.fincen.gov/sites/default/files/shared/Recertification%20Regarding%20Correspondent%20Accounts%20for%20Foreign%20Banks.pdf>). Records of documents relied upon by a financial institution for purposes of 31 CFR 1010.630 must be

maintained for at least five years after the date that the financial institution no longer maintains a correspondent account for such foreign bank (31 CFR 1010.630(e)).

Current Action: Renewal without change to the existing regulations.

Type of Review: Renewal without change of a currently approved collection.

Affected Public: Businesses and other for-profit institutions.

Burden: It is estimated that 2,000 covered financial institutions maintain correspondent accounts with 9,000 foreign banks. The estimated average annual reporting burden associated with certification is 180,000 hours (9,000 responses at 20 hours per response); the estimated average annual reporting burden associated with recertification is 45,000 hours (9,000 responses at 5 hours per response); and the estimated average recordkeeping burden associated with section 1010.630(e) is 81,000 hours (9,000 responses at 9 hours per response).² Total PRA burden for this OMB Control number is 306,000 hours.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Records required to be retained under the BSA must be retained for five years. Generally, information collected pursuant to the BSA is confidential, but may be shared as provided by law with regulatory and law enforcement authorities.

Request for Comments: Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency,

² FinCEN does not have an independent method to research the exact number of foreign bank certifications and recertifications in any given year because depository institutions do not file the model form with FinCEN and only provide the data upon FinCEN's request. Accordingly, FinCEN has chosen to take an expansive approach in its estimates of yearly certifications and recertifications.

including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance and purchase of services to provide information.

Jamal El-Hindi,

Deputy Director,

Financial Crimes Enforcement Network.

BILLING CODE 4810-02

[FR Doc. 2018-18079 Filed: 8/21/2018 8:45 am; Publication Date: 8/22/2018]